

CITY OF MUSKEGON

CITY COMMISSION MEETING

OCTOBER 12, 2010

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, October 12, 2010.

Mayor Warmington opened the meeting with a prayer from Pastor Tim Cross from the Living Word Church after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Steve Wisneski, Chris Carter, Clara Shepherd, Lawrence Spataro, and Sue Wierengo, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

2010-87 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the City Commission Meeting that was held on Tuesday, September 28, 2010.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Homeless Continuum of Care Network and City of Muskegon – Memorandum of Understanding (MOU) and Appointment of City Commission Representative. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The City of Muskegon has had a voting seat on the Homeless Continuum of Care Network Review Committee for several years. The current MOU is outdated. In order to retain the City seat on the Review Committee, a new MOU must be approved. Commissioner Larry Spataro has served as the City representative in the past.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the MOU and authorize the Mayor's signature and appoint Commissioner Spataro as the City of Muskegon representative to the Review Committee.

C. CDBG Program Administration Agreement – City of Muskegon/City of Norton Shores. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The City of Muskegon has contracted with the City of Norton Shores to administer their Community Development Block Grant (CDBG) program since 2006. The Agreement to administer the program was renewed in 2008 and extended to June 30, 2009. However, although the City of Muskegon has continued to administer the Norton Shores CDBG program, the Agreement has not been renewed since that time. Therefore, the Agreement is effective July 1, 2009, and extends through June 30, 2011.

FINANCIAL IMPACT: The City of Norton Shores pays \$22,000 a year to the City of Muskegon to administer their CDBG program.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Agreement and authorize the Mayor and City Clerk to sign.

D. West Michigan Metropolitan Transportation Plan (WestPlan) Dues, FY 2011. CITY MANAGER

SUMMARY OF REQUEST: To approve remittance of the City of Muskegon's portion of the WestPlan dues for Fiscal Year 2011, payable to West Michigan Shoreline Regional Development Commission. This agency determines projects and distributes federal transportation funds.

FINANCIAL IMPACT: \$16,040.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve this request.

E. Amend Article III of Chapter 74 of the City's Code of Ordinance. ENGINEERING

SUMMARY OF REQUEST: Adopt the proposed amendments to Sections 74-84, 85, and 86 of Chapter 74, Article III of the City's Code of Ordinances providing one more option to enforce the repairs and collection of hazardous sidewalks by billing the owner(s) without creating a special assessment district. This proposed alternative, as outlined in Section 74-86, will help the City deal with hazardous sidewalks after issuing a notice to the owner and subsequently make the repairs, thus preventing costly claims.

FINANCIAL IMPACT: None at this time since the assumption is that the owner of record will be billed for the actual cost. However, the possibility is there that the owner(s) may default.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the proposed amendments to articles 74-84, 85, and 86 of Chapter 74 of the City's Code of Ordinance.

F. Budgeted Vehicle Replacement – Chevrolet Impalas. PUBLIC WORKS

SUMMARY OF REQUEST: Approval to purchase two 2011 Chevrolet Impalas from Don Rypma Chevrolet.

FINANCIAL IMPACT: \$36,920.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the purchase.

G. Budgeted Equipment Setup. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to purchase five service bodies from Arista Truck Systems and one plow from Hoekstra Equipment.

FINANCIAL IMPACT: \$30,920.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the purchases.

H. Merit Network Inc. – METRO Act Permit. ENGINEERING

SUMMARY OF REQUEST: Approve the permit from Merit Network to install aerial fiber optic facilities within the City's right of way and authorize the Mayor and Clerk to sign said permit.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the permit and sign document.

I. Removal of Zoning Board of Appeals Member and Appointments to Various Boards. CITY CLERK

SUMMARY OF REQUEST: To remove Eleanor Fife from the Zoning Board of Appeals, appoint John Derbin to the Board of Review, and appoint Tammy Halterman to the Zoning Board of Appeals.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

COMMITTEE RECOMMENDATION: The Community Relations Committee recommended approval at their October 11th meeting.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the Consent Agenda as read.

ROLL VOTE: Ayes: Carter, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Wisneski

Nays: None

MOTION PASSES

2010-88 NEW BUSINESS:

A. Richards Park License and Management Agreement. PUBLIC WORKS

SUMMARY OF REQUEST: To approve an agreement with the Muskegon Conservation District to locate their main office on a portion of the Richards Park property.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the agreement and to authorize the Mayor and Clerk to sign the agreement.

Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the Richards Park License and Management Agreement.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, Wisneski, and Carter

Nays: None

MOTION PASSES

B. Consideration of 2011 COLA for Retirees. FINANCE

SUMMARY OF REQUEST: It is time to consider whether an annual cost of living adjustment (COLA) should be awarded to City retirees. Under the City's COLA program, permanent cost of living increases are made to pensioners retired five years or more. COLA payments are capped at 75% of the CPI and are payable only when investment performance exceeds estimates and the COLA is deemed affordable. The last COLA was in 2009, when a 0.50% COLA was granted.

The collapse of the financial markets in late 2008 continues to take a big toll on the City's pension funds as noted in the most recent actuarial valuation:

"If the December 31, 2009 valuation results were based on market value on that date instead of 10-year smoothed funding value: i) the funded percent of your entire municipality would be 79% (instead of 99%); and ii) your total employer contribution requirement for the fiscal year starting July 1, 2011 would be \$4,165,166 (instead of \$1,152,252). If the investment markets do not fully make up for the 2008 losses, employer contribution requirements can be expected to rise. MERS continues to do everything it can to make sure that if this proves to be the case, the increases are

incremental as opposed to steep.”

Given the unprecedented economic and investment environment we are in and the severe market losses suffered by the City’s pension funds, staff recommends no retiree COLA be awarded for the year beginning January 1, 2011.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Commission action affirming staff’s recommendation that no COLA increase be granted to City retirees in 2011.

Motion by Vice Mayor Gawron, second by Commissioner Carter to affirm staff’s recommendation that no COLA increase be granted to City retirees in 2011.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Wisneski, Carter, and Gawron

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:07 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk